Registered number: 2113021

R G Carter Colchester Limited

Directors' report and financial statements

for the year ended 31 December 2011



Company Information

Directors	TJ Leggett NC Barbrook PD Burton SA Scott SD Humphrey PJ Foskett RA Harrington
Company secretary	GWV Daniels
Company number	2113021
Registered office	9 - 11 High Road Drayton Norwich Norfolk NR8 6AH
Auditors	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Kingfisher House 1 Gilders Way St James Place Norwich NR3 1UB

Directors' report
for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Principal activities

The principal activity of the Company is that of building and contracting

Business review

The Directors are disappointed to report a loss for the year on an increased level of activity However the Company has on hand a reasonable order book and the Directors are confident that a return to profitability can be achieved in the current financial year

The Directors use three main key performance indicators to monitor the financial position of the Company gross profit, net profit and cash flow generation The Directors are disappointed to report that, for all three, the Company has not achieved satisfactory results

The results for the year are set out in the profit and loss account on page 5 of the financial statements and the balance sheet, which shows the state of the Company's affairs as 31 December 2011, is presented on page 6

Results

The loss for the year, after taxation, amounted to £1,040,614 (2010 - profit £606,322)

Directors' report for the year ended 31 December 2011

Directors

The directors who served during the year were

TJ Leggett (appointed 16 February 2011)
NC Barbrook (appointed 16 February 2011)
PD Burton
SA Scott
SD Humphrey (appointed 20 January 2012)
PJ Foskett (appointed 16 February 2011)
RA Harrington

Principal risks and uncertainties

In common with other businesses, the Company aims to minimise financial risk The measures used by the Directors to manage this risk include the preparation of profit and cash flow forecasts and regular monitoring of actual performance against these forecasts Contracts are closely monitored to keep the risk of bad debts to a minimum

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

This report was approved by the board on 9 March 2012 and signed on its behalf

GWV Daniels
Secretary

Grant Thornton

Independent auditor's report to the member of R G Carter Colchester Limited

We have audited the financial statements of R G Carter Colchester Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Nigel Savory
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
NORWICH
22 March 2012

Profit and loss account for the year ended 31 December 2011

	Note	2011 £	2010 £
Turnover	1,2	**26,419,326**	20,664,240
Other external charges		**(24,739,297)**	(16,869,562)
Staff costs		**(2,923,494)**	(2,803,453)
Depreciation and amortisation		**(149,528)**	(156,504)
Operating (loss)/profit	3	**(1,392,993)**	834,721
Interest receivable and similar income	6	**10,008**	29,405
(Loss)/profit on ordinary activities before taxation		**(1,382,985)**	864,126
Tax on (loss)/profit on ordinary activities	7	**342,371**	(257,804)
(Loss)/profit for the financial year	15	**(1,040,614)**	606,322

All amounts relate to continuing operations

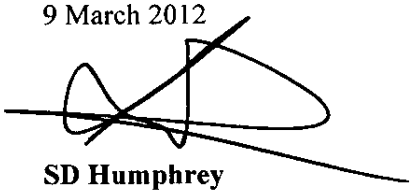
There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 7 to 15 form part of these financial statements

Balance sheet
as at 31 December 2011

	Note	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	8		**679,961**		672,423
Current assets					
Stocks	9	**112,680**		11,530	
Debtors amounts falling due after more than one year	10	**2,000,000**		2,000,000	
Debtors amounts falling due within one year	10	**7,201,736**		2,274,219	
Cash at bank		**1,000,601**		4,093,162	
		10,315,017		8,378,911	
Creditors: amounts falling due within one year	11	**(9,115,782)**		(6,211,480)	
Net current assets			**1,199,235**		2,167,431
Total assets less current liabilities			**1,879,196**		2,839,854
Creditors: amounts falling due after more than one year	12		**(112,685)**		(32,729)
Net assets			**1,766,511**		2,807,125
Capital and reserves					
Called up share capital	14		**100**		100
Profit and loss account	15		**1,766,411**		2,807,025
Shareholders' funds	16		**1,766,511**		2,807,125

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 March 2012



SD Humphrey
Director

The notes on pages 7 to 15 form part of these financial statements

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Despite the result for the year the Company has sufficient financial resources to allow the directors to believe that the Company is well placed to manage its business risks successfully in the current economic climate Accordingly, the directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

A cash flow statement has not been prepared as the directors have elected to take advantage of the exemption available to wholly owned subsidiary undertakings, as conferred by FRS1

In accordance with the exemption available under paragraph 3(c) of FRS8, transactions with entities that are part of the RG Carter Group Limited are not disclosed Copies of the consolidated financial statements are available from Companies House

1.2 Turnover

Turnover represents the value of work done and goods sold together with amounts receivable for services provided excluding value added tax

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Long term leasehold property	-	over the period of the lease
Plant & machinery	-	20% straight line
Motor vehicles	-	20% - 25% straight line
Office equipment	-	15% - 33% straight line
Computer equipment	-	25% - 33% straight line

1.4 Operating leases

Operating lease payments are written off as an expense when incurred

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value

Site huts and scaffolding are treated as trading stock items and are written down over a period of three years

1. Accounting policies (continued)

1.6 Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

1.7 Long-term contracts

Contracts in progress are stated at prime cost plus contracting overheads, account being taken of profits accrued to date on long term contracts and provisions for losses, including estimated future losses, being deducted where appropriate

Contracts awarded since the year end but for which there has been prior agreement to tender are included in contracts in progress and, where appropriate, provisions have been made in respect of any losses anticipated on such contracts

Claims receivable arising on contracts are normally taken to profit when agreed and paid

Progress payments received and receivable attributable to the value of contracts are deducted in presenting the amounts recoverable on contracts in the financial statements Progress payments and amounts in excess of contract values are stated separately

1.8 Pensions

The Company participates in the RG Carter Limited and Associated Companies Pension Fund This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group The Company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme

The Group also operates a defined contribution pension scheme The costs are charged to the profit and loss account as incurred

2. Turnover

All turnover arose within the United Kingdom and was derived from building ans contracting

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting)

	2011	2010
	£	£
Depreciation of tangible fixed assets		
- owned by the company	**149,528**	156,504
Auditors' remuneration	**13,500**	11,750
Plant hire	**645,439**	388,583
Other operating leases	**20,775**	20,775
Profit on disposal of tangible fixed assets	**(15,933)**	(18,720)

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2011	2010
	£	£
Wages and salaries	**2,565,030**	2,438,143
Social security costs	**253,521**	248,348
Other pension costs	**104,943**	116,962
	2,923,494	2,803,453

The average monthly number of employees, including the directors, during the year was as follows

	2011	2010
	No.	No
	78	75

5 Directors' remuneration

	2011	2010
	£	£
Emoluments	**429,591**	147,125

During the year retirement benefits were accruing to 3 directors (2010 - 3) in respect of defined benefit pension schemes

The highest paid director received remuneration of £108,315 (2010 - £108,165)

6. Interest receivable

	2011 £	2010 £
Other interest receivable	**10,008**	29,405

7. Taxation

	2011 £	2010 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax (credit)/charge on (loss)/profit for the year	**(357,280)**	222,461
Deferred tax		
Origination and reversal of timing differences	**9,932**	35,343
Effect of decreased tax rate on opening asset	**4,977**	-
Total deferred tax (see note 13)	**14,909**	35,343
Tax on (loss)/profit on ordinary activities	**(342,371)**	257,804

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26 5% (2010 - 28%) The differences are explained below

	2011 £	2010 £
(Loss)/profit on ordinary activities before tax	**(1,382,985)**	864,126
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 5% (2010 - 28%)	**(366,491)**	241,955
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**3,538**	2,695
Capital allowances for year in excess of depreciation	**(3,194)**	7,176
Short term timing difference leading to an increase (decrease) in taxation	**8,867**	(29,365)
Current tax (credit)/charge for the year (see note above)	**(357,280)**	222,461

8. Tangible fixed assets

	Long term leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 January 2011	**618,512**	**272,796**	**687,507**	**251,270**	**1,830,085**
Additions	**10,400**	**-**	**134,013**	**15,380**	**159,793**
Transfers intra group	**-**	**-**	**(42,955)**	**1,150**	**(41,805)**
Disposals	**-**	**(4,784)**	**(87,118)**	**(9,050)**	**(100,952)**
At 31 December 2011	**628,912**	**268,012**	**691,447**	**258,750**	**1,847,121**
Depreciation					
At 1 January 2011	**171,281**	**247,468**	**519,415**	**219,498**	**1,157,662**
Charge for the year	**12,360**	**15,657**	**95,794**	**25,717**	**149,528**
Transfers intra group	**-**	**-**	**(41,508)**	**1,150**	**(40,358)**
On disposals	**-**	**(4,358)**	**(86,264)**	**(9,050)**	**(99,672)**
At 31 December 2011	**183,641**	**258,767**	**487,437**	**237,315**	**1,167,160**
Net book value					
At 31 December 2011	**445,271**	**9,245**	**204,010**	**21,435**	**679,961**
At 31 December 2010	447,231	25,328	168,092	31,772	672,423

9. Stocks

	2011 £	2010 £
Trading stocks	**112,680**	11,530

10. Debtors

	2011 £	2010 £
Due after more than one year		
Amounts owed by group undertakings	**2,000,000**	2,000,000

	2011 £	2010 £
Due within one year		
Trade debtors	**1,472,256**	1,409,853
Amounts owed by group undertakings	**4,200,028**	171,013
Corporation tax recoverable	**85,214**	-
Other debtors	**301,655**	212,634
Prepayments and accrued income	**91,278**	64,859
Amounts recoverable on long term contracts	**639,964**	348,676
Group relief receivable	**359,066**	-
Deferred tax asset (see note 13)	**52,275**	67,184
	7,201,736	2,274,219

11. Creditors: Amounts falling due within one year

	2011 £	2010 £
Bank loans and overdrafts	**582,460**	-
Payments received on account	**2,106,755**	886,167
Trade creditors	**5,436,857**	3,631,449
Amounts owed to group undertakings	**685,801**	259,165
Corporation tax	**-**	70,086
Social security and other taxes	**131,926**	111,836
Other creditors	**-**	1,081,626
Accruals and deferred income	**171,983**	171,151
	9,115,782	6,211,480

12. Creditors: Amounts falling due after more than one year

	2011 £	2010 £
Trade creditors	**112,685**	32,729

13. Deferred tax asset

	2011 £	2010 £
At beginning of year	**67,184**	102,527
Charged for year	**(14,909)**	(35,343)
At end of year	**52,275**	67,184

The deferred tax asset is made up as follows

	2011 £	2010 £
Accelerated capital allowances	**34,592**	44,183
Short term timing differences	**17,683**	23,001
	52,275	67,184

14. Share capital

	2011 £	2010 £
Authorised		
1,000 Ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	**100**	100

15. Reserves

	Profit and loss account £
At 1 January 2011	**2,807,025**
Loss for the year	**(1,040,614)**
At 31 December 2011	**1,766,411**

16. Reconciliation of movement in shareholders' funds

	2011 £	2010 £
Opening shareholders' funds	**2,807,125**	4,450,803
(Loss)/profit for the year	**(1,040,614)**	606,322
Dividends (Note 17)	-	(2,250,000)
Closing shareholders' funds	**1,766,511**	2,807,125

17. Dividends

	2011 £	2010 £
Dividends paid on equity capital	-	2,250,000

18. Contingent liabilities

The Group bank account is in the name of RG Carter Construction Group As a result certain subsidiary undertakings have jointly and severally entered into a bank guarantee in respect of these overdraft facilities There was no Group overdraft at 31 December 2011 (2010 £ nil)

Various subsidiary undertakings of the RG Carter Construction Group have entered into guarantees to certain other banks in respect of overdraft facilities for Companies within the RG Carter Construction Group, there were no overdrafts under these facilities at 31 December 2011 (2010 £ nil)

The Company was also contingently liable in respect of any claim which may arise out of performance bonds and other arrangements entered into in the ordinary course of business

19. Pension commitments

The Company participates in the RG Carter Limited and Associated Companies Pension Fund This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the Group The Company is unable to identify its share of the underlying assets and liabilites of the scheme due to its multi-employer status and accordingly accounts for the scheme as if it were a defined contribution scheme

Contributions to the scheme for the period were £ 57,108 (2010 £ 82,538) and the agreed contribution rate for the next 60 months is 26% (2010 26%)

As updated valuation of the scheme at 31 December 2011 indicated that the scheme was 67% funded (2010 64%) This valuation has measured scheme assets at fair value and scheme liabilities are measured on an actuarial basis using the projected unit method

The Group also operates a defined contribution pension scheme for certain designated site and staff positions The assets are held independently from those of the Group in individual members' funds The Company's contributions charged for the year to 31 December 2011 were £ 47,835 (2010 £ 34,424)

20. Operating lease commitments

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	**2011**	2010
	£	£	**£**	£
Expiry date:				
Within 1 year	-	-	-	420
After more than 5 years	**9,400**	9,400	-	897

21. Ultimate parent undertaking and controlling party

The parent undertaking of R G Carter Colchester Limited is RG Carter Construction Limited and the ultimate parent undertaking is RG Carter Group Limited, both of which are incorporated in England and Wales The ultimate controlling party is Mr RG Carter